

4. HOUSING RESOURCES

This section describes and analyzes resources available for development, rehabilitation, and preservation of housing in Riverside. This includes the availability of land resources and the City's ability to satisfy its share of the region's future housing needs, financial resources available to support the provision of affordable housing, and administrative resources available to assist in implementing the City housing programs.

A. Availability of Sites for Housing

According to the Regional Housing Needs Assessment, SCAG has assigned each community a share of the region's future need for housing for the period of 1998-2005. Therefore, an important component of the Housing Element is the identification of land resources and, in particular, whether it has or will have appropriate zoning, residential development standards, and services to accommodate the City's housing need.

Site Inventory.

In 1999, Riverside prepared an inventory of vacant sites that could accommodate residential development and quantified site acreages by their General Plan Land Use Category. The City has a range of residential zones that allow for varying density levels, defined by the maximum number of dwelling units per acre. These zones are encompassed in General Plan land designations with assigned average densities. Taken together, the City has capacity for over 10,000 units as shown in Chart 41.

The City's parcelized land use database documents 5,392 gross acres of vacant land designated for Low to Medium-Density residential uses under the General Plan. In determining the total units that can realistically be built, however, the net buildable acreage is 75% of gross acreage for these lower density residential zones. This is because net buildable acreage in these areas takes into account the midpoint of the street. The remaining 4,044 net vacant acres can accommodate 3,386 new units.

In addition, the City has a limited amount of Medium-High Density residential areas, which generally will facilitate the development of moderate-income housing. Approximately 49 vacant acres are available for development. In determining the total units that can realistically be built, the net buildable acreage is 100% of gross acreage. Based upon an average density of 12 units per acre, the Medium-High Density areas could facilitate an additional 588 new dwelling units on vacant sites.

In the higher density residential areas (General Plan designated "RHD"), the City's 1999 sites inventory documented 93 vacant acres available for development. In 2000, the City redesignated an additional 32 acres for residential high-density use. Of this total, 26.6 acres were redesignated from Industrial while 5.4 acres in the Downtown District were re-designated from Manufacturing. In total, Riverside now has 125 acres of vacant High Density Residential land, providing for 2,875 new units.

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In addition to vacant land, future growth in Riverside will occur on underutilized land. For example, many areas designated High Density under the General Plan are actually developed with lower intensity uses. As vacant land becomes more limited, market pressure will encourage the recycling of property for higher intensity use. Over the last two years, the 54-unit Spruce Village townhomes and the 197-unit Brandon Park Apartments were developed on underutilized sites

The threshold for determining whether land is under-utilized depends on whether the density could be increased enough to justify the costs of demolishing existing structures. Theoretically, this analysis assumes that land is underutilized only if the maximum density of the site could be doubled. For instance, a site is considered underutilized if 10 units on a one-acre site could be doubled to 20 units. Given the appropriate market conditions, a developer would find it profitable to demolish existing units and replace the units with a higher density residential project.

City staff analyzed land zoned at Medium-High and High Density which contain land uses with less than half the maximum achievable density. Accordingly, the City has 196 acres of underutilized land available for development, providing for a net increase of 120 units in Medium-High density areas, and 3,160 units in High-Density areas. Recycling capacity is determined by calculating the maximum number of units that could be built under the General Plan minus the number of units on the site.

In April 1999, Riverside was awarded \$5.8 million in federal funds to create economic and homeownership opportunities in the Downtown/Mission Village Area. The City is preparing a Downtown Specific Plan to implement the Mission Village Initiative and provide specific direction for implementing projects. The Specific Plan will evaluate mechanisms to accommodate mixed-use to facilitate development of 200-400 owner and rental units, with rental units at densities of 25-50 units per acre.

Chart 41: Riverside Development Potential

Land Use Designation	Density (du/acre)	Total Acreage		Average Density	Total Units
		Vacant	Under-Utilized		
Rural Agricultural	0.2	1,498	n.a.	0.2	225
Hillside	0.2-0.6	2,552	n.a.	0.2	383
Estate	1.0-2.5	350	n.a.	1.0	263
Semi-Rural	1.5-2.5	194	n.a.	1.5	218
Low Density	3.0-5.0	130	n.a.	3.0	293
Medium Density	4.0-6.5	668	n.a.	4.0	2,004
Medium-High	12.0-15.0	49	15	12.0	708
High Density	20.0-25.0	125	181	23.0	6,035
Downtown S. Plan	25.0-50.0	n.a.	n.a.	25-50	200
Total		5,566	196	--	10,329

Source: Riverside Planning Department, General Plan 2000

Credits Toward RHNA.

In evaluating housing elements, the Department of Housing and Community Development requires cities to identify sites for future residential development. In meeting this requirement, SCAG communities can credit new housing units built and occupied since January 1998, qualified substantial rehabilitation, and future development potential. This section documents credits by affordability level.

Market Rate Development. Since January 1998, 1,781 new homes in lower-density Specific Plan areas have been built. In the absence of specific price information, these homes are assumed to sell at prices targeted to upper-income households. Moreover, the City has an additional 5,392 acres of vacant land with a General Plan designation less than Medium-Density. Given that average buildable densities cannot exceed 3.0 units/acre, the capacity for 3,386 new units will be market rate.

In recent years, a significant number of projects have been built in higher-density zones which are affordable to moderate-income households. Approximately 853 apartment units have been constructed since January 1, 1998 and an additional 709 units have been approved. Although apartments typically allow for densities that are affordable to lower-income households, these complexes have been built in higher-end portions of Riverside and thus are affordable to moderate-income households.

In addition to recent development, the City has an additional 49 acres of vacant land and 15 acres of underutilized land designated Medium-High Density that allows for densities of 12 units per acre. Available land in this General Plan designation allows for densities that should facilitate the development of housing affordable to moderate-income households. Based upon the prior analysis, this land may accommodate 708 new units affordable to moderate-upper-income projects.

Affordable Developments. Since January 1998, a number of recent projects have been built and reserved for special needs populations, such as seniors or students. The Goldware Senior Apartments and the Blaine/Crest housing projects are under construction. These projects will provide 336 units affordable to lower-income households. Both projects are built at densities which allow for rents affordable to lower-income households at 25 and 33 units per acre respectively.

Also available is 125 acres of vacant land with a General Plan designation of High Density Residential. At an average density of 23 units/acre, 2,875 multi-family units could be accommodated. Moreover, the Downtown Specific Plan will evaluate mechanisms to facilitate new high-density rental and ownership housing at densities of 25-50 units per acre. An estimated 200-400 units are anticipated, with many receiving federal homeownership and local set-aside funds to ensure affordability.

Finally, Riverside has a substantial reserve of higher-density underutilized land. Based on an average permitted density of 23 units/acre, an estimated 3,280 units could be accommodated on the City's reserve of underutilized land. Projects on underutilized land are becoming increasingly common. The 197-unit Brandon Place Apartments (built 1997) and the recently constructed 54-unit Spruce Village are recent examples of multi-family projects built on under-utilized land.

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Rehabilitation. Government Code Section 65583.1[c] permits cities to fulfill up to 25% of their residential sites requirement by identifying units that will be rehabilitated and set-aside with committed assistance as affordable to lower income households. The City of Riverside is seeking to apply credits for rehabilitating the Indiana Apartments toward the site requirement of the RHNA allocation (Appendix C). Credits are being requested for 24 of the fourplex units at the Indiana Apartments.

The City of Riverside has committed to providing financial assistance to acquire, rehabilitate, and provide affordability covenants for fourplexes on Indiana Avenue. These units are in severely distressed condition, are tightly clustered, overcrowded, and the conditions contribute to crime and unsafe living conditions. In June 1998, the RDA approved a long-term revitalization concept that provides RHDC with financial assistance to purchase 12 of the 32 original fourplexes.

As of March 2000, the RHDC acquired the 12th building and will begin to substantially rehabilitate and reconfigure the units into much needed family housing, provide additional open space and on-site parking, and also eliminate a blighted alleyway. Three of the four plexes will be demolished, with tenants provided the option of moving into one of the rehabilitated units, or provided relocation assistance pursuant to HUD. A total of 36 units will be provided at affordable rents for at least 30 years.

In addition to upgrading these 13 properties and providing responsible management and ownership, the RHDC will form a property owners association for the remaining fourplexes at Indiana Avenue. Using a model similar to that used to revitalize the 50 fourplexes in La Sierra Manor complex, the RHDC will implement an aggressive rehabilitation loan program, and assist in implementation of Covenants, Conditions, and Restriction (CC&Rs) to improve property maintenance at Indiana Avenue.

Exhibit 5: Indiana Apartment Rehabilitation Project



Summary of Credits

Considering that over 10,000 housing units can be accommodated on vacant and underutilized sites within the City's incorporated boundaries, Riverside has adequate residential sites to address its remaining regional housing needs requirement. The following summarizes how the City will meet its requirement by affordability level.

Upper Income. The City has built 1,781 new single-family detached homes since January 1998 and has capacity for additional 3,386 such units for a total of 5,167 units. In the absence of detailed price information and given that the majority of development will occur in Specific Plan areas, all single-family detached units are considered to sell at above moderate income prices (\$185,000), thus counting towards the City's needs for upper income housing.

Moderate Income. Since 1998, a total of 853 new apartment units have been built in Riverside and an additional 709 new apartments units have been approved – all presumed to be affordable to moderate-income households. In addition, the City has potential for 708 additional units to be developed in the Medium-High density areas on vacant and underutilized sites.

Lower-Income. Since January 1998, 336 apartment units affordable to lower-income households have been built at high densities. The City also has 125 vacant acres and 181 underutilized acres, both designated High Density, that could facilitate development of 6,035 new housing units. The Downtown Specific Plan will provide 200 high density units, many with affordability covenants.

Chart 42: Revised RHNA Requirement

Income Level	RHNA	Units Built or Approved since 1998	Balance of RHNA	Land Capacity
Very Low	1,663	---	+1,663	--
Low	1,186	-360 *	+826	6,235
Moderate	1,675	-1,562	+113	708
Upper	3,198	-1,781	+1,417	3,386
Total	7,722	-3,703	+4,019	10,329

Sources: SCAG RHNA (October 2000); Residential Sites Analysis (2000)

* Includes apartments built and 24 units rehabilitated in Indiana Apartments

Riverside is an older, urbanized community with public services and facilities in place to serve existing and future residential development. Vacant and underutilized sites identified in the land inventory for residential use can easily be served by sewer lines, water lines, streets, storm drains, telephones, electrical and gas lines. For Specific Plan areas, the General Plan requires the developer to provide necessary extension of services timed with each development.

B. Financing Resources

The City of Riverside has access to a variety of existing and potential funding sources available for affordable housing activities. They include programs from local, state, federal and private resources. The following section describes the three most significant housing funding sources currently used in Riverside – CDBG, redevelopment set-aside funds, and HOME sources. Chart 43 summarizes these and additional funding sources available to support in implementing Riverside’s housing program activities.

1. Community Development Block Grant (CDBG) Funds

Through the CDBG program, HUD provides funds to local governments for a range of community development activities, including to: acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction (under certain limitations) of housing, homeownership assistance, and also clearance activities. In addition, these funds can be used to acquire or subsidize at-risk units. Riverside will receive \$3.5 million annually in funding for housing and community development activities from the CDBG program.

2. Redevelopment Housing Set-Aside

State law requires Riverside’s Redevelopment Agency to set-aside 20% of all tax increment revenue generated from redevelopment projects for affordable housing. The City’s 20% set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing. Housing developed under this program must remain affordable to the targeted income group for at least 15 years for rentals and 10-years for ownership housing. The Riverside RDA projects annual contributions to the set-aside funds between \$3.0 to \$3.6 million annually, totaling nearly \$20 million during the planning period. Of this amount, \$13 million will be used to pay off debt service on bonds, and \$2 million will be used for administration, leaving approximately \$5 million for program implementation.

3. HOME Investment Partnership Program

Riverside receives an annual entitlement from HUD under the HOME program. HOME funds can be used for activities that promote affordable rental housing and lower-income homeownership, including but not limited to the following: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance. A federal priority for use of these funds is preservation of at-risk housing. A city must also provide matching contributions on a sliding scale: 25% local share for rental assistance or rehabilitation, 33% for substantial rehabilitation, and 50% for new construction. Riverside receives approximately \$1.3 million in HOME funds annually.

Chart 43: Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
1. Federal Programs		
Community Development Block Grant (CDBG)	Grants awarded to the City on a formula basis for housing and community development activities.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • Home Buyer Assistance • Economic Development • Homeless Assistance • Public Services
HOME	Flexible grant program awarded to City on a formula basis for housing activities.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • Home Buyer Assistance • Rental Assistance
Emergency Shelter Grants (ESG)	Grants awarded to City to implement a broad range of activities that serve homeless persons.	<ul style="list-style-type: none"> • Shelter Construction • Shelter Operation • Social Services • Homeless Prevention
Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low income tenants.	<ul style="list-style-type: none"> • Rental Assistance
Section 202	Grants to non-profit developers of supportive housing for the elderly.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • New Construction
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • New Construction • Rental Assistance
Section 203(k)	When rehabilitation is involved, a lender typically requires the improvements to be finished before a mortgage is made. This program provides a long-term, low interest loan at fixed rate to finance acquisition and rehabilitation of the property.	<ul style="list-style-type: none"> • Land Acquisition • Rehabilitation • Relocation of Unit • Refinance Existing Indebtedness
Section 108 Loan	Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvement projects. Maximum loan amount can be up to five times the jurisdiction's most recent annual allocation. Maximum loan term is 20 years.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • Home Buyer Assistance • Economic Development • Homeless Assistance • Public Services
Mortgage Credit Certificate Program	Income tax credits available to first-time homebuyers to buy new or existing single-family housing. Local agencies (County) make certificates available.	<ul style="list-style-type: none"> • Home Buyer Assistance

Chart 43: Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
Low Income Housing Tax Credit (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create housing.	<ul style="list-style-type: none"> • Construction of Housing
Shelter Plus Care Program	Grants for rental assistance that are offered with support services to homeless persons living with disabilities.	<ul style="list-style-type: none"> • Rental Assistance • Homeless Assistance • Support Services
Supportive Housing Program (SHP)	Grants for development of supportive housing and support services to assist homeless persons in the transition from homelessness.	<ul style="list-style-type: none"> • Transitional Housing • Housing for the Disabled • Supportive Housing • Support Services
2. State Programs		
Proposition 1A	Potential buyers or tenants of affordable housing projects are eligible to receive downpayment assistance or rent subsidies at amounts equivalent to the school fees paid by the housing developer.	<ul style="list-style-type: none"> • Downpayment Assistance • Rental Assistance
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	<ul style="list-style-type: none"> • Support Services
Multi-Family Housing Program (MHP)	Deferred payment loans for new construction, rehabilitation and preservation of rental housing.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Preservation
California Housing Finance Agency (CHFA) Rental Housing Programs	Below market rate financing offered to builders and developers of multiple-family and elderly rental housing. Tax exempt bonds provide below-market mortgages.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition of Properties from 20 to 150 units
California Housing Finance Agency Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below market loans to 1 st time homebuyers. Program operates through participating lenders who originate loans for CHFA.	<ul style="list-style-type: none"> • Homebuyer Assistance
California Housing Rehab Program - Owner Component (CHRP)	Low interest loans for the rehabilitation of substandard homes owned and occupied by lower-income households. City and non-profits sponsor rehabilitation projects.	<ul style="list-style-type: none"> • Rehabilitation • Repair of Code Violations, Accessibility Improvements, Room Additions, etc.
Supportive Housing/Minors Leaving Foster Care	Funding for housing and services for mentally ill, disabled and persons needing support services to live independently.	<ul style="list-style-type: none"> • Supportive Housing • Foster Care
Self-Help Housing	Provides non-profits with money for self-help construction supervision, loan packaging and homebuyer education.	<ul style="list-style-type: none"> • Construction Supervision • Loan Packaging • Homebuyer Education
Downtown Rebound	Funding to facilitate infill development and conversion of commercial buildings for "live-work" spaces.	<ul style="list-style-type: none"> • Rehabilitation • Conversion

Chart 43: Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
3. Local Programs and Private Resources		
Redevelopment Housing Fund	State law requires that 20 percent of Redevelopment Agency funds be set aside for a wide range of affordable housing activities governed by State law.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • New Construction
Tax Exempt Housing Revenue Bond	The City can support low-income housing by issuing housing mortgage revenue bonds requiring the developer to lease a fixed percentage of the units to low income families at specified rental rates.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition
Federal National Mortgage Association (Fannie Mae)	<ul style="list-style-type: none"> • Fixed rate mortgages issued by private mortgage insurers. 	<ul style="list-style-type: none"> • Home Buyer Assistance
	<ul style="list-style-type: none"> • Mortgages which fund the purchase and rehabilitation of a home. 	<ul style="list-style-type: none"> • Home Buyer Assistance • Rehabilitation
	<ul style="list-style-type: none"> • Low Down-Payment Mortgages for Single-Family Homes in under served low-income and minority cities. 	<ul style="list-style-type: none"> • Home Buyer Assistance
Savings Association Mortgage Company Inc.	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	<ul style="list-style-type: none"> • New construction of rentals, cooperatives, self help housing, homeless shelters, and group homes
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long term debt financing for affordable multi-family rental housing. Non-profit and for profit developers contact member banks.	<ul style="list-style-type: none"> • New Construction • Rehabilitation • Acquisition
Federal Home Loan Bank Affordable Housing Program	Direct Subsidies to non-profit and for profit developers and public agencies for affordable low income ownership and rental projects.	<ul style="list-style-type: none"> • New Construction
Freddie Mac	Home Works - Provides 1 st and 2 nd mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Households earning up to 80% MFI qualify.	<ul style="list-style-type: none"> • Home Buyer Assistance combined with Rehabilitation

In terms of funds from the State of California to support affordable housing, the Governor recently signed the largest housing budget in the State's history for about \$500 million. The most heavily funded programs are as follows: Rental Housing (\$177 million), Community Amenities/Development Incentives (\$110 million), Ownership Housing (\$100 million), Farm Worker Housing (\$43 million), Emergency Housing Assistance (\$32 million), and Supportive Housing/Minors Leaving Foster Care (\$25 million).

C. Administrative Resources

Described below are public and non-profit agencies that have been actively involved in housing activities in the City of Riverside. These agencies play important roles in meeting the housing needs of the City. In particular, they are critical in the improvement of the housing stock and the preservation of at-risk housing units in Riverside.

Riverside Redevelopment Agency: The Redevelopment Agency is responsible for coordinating activities within the City's redevelopment project areas. It has been active in both the rehabilitation and development of low- and moderate-income housing units. As shown earlier in Chart 30, the Agency has funded many of the government assisted housing projects in the City.

Housing Authority of the County of Riverside: The Housing Authority performs various functions in regard to low-income housing in the County of Riverside. The Authority owns and manages low-income public housing units within the City of Riverside, and provides monitoring of other bond-funded projects to verify compliance with requirements for low-income units.

Riverside Housing Development Corporation (RHDC): RHDC is a local non-profit organization established to provide and improve affordable housing units. The Corporation is the primary provider of affordable rental housing in the community. RHDC has acquired and rehabilitated various housing developments in the City, including La Sierra Manor and Oaktree Apartments.

Salvation Army: This group is a national non-profit organization with a history of providing services to needy individuals and families in Riverside. Salvation Army currently owns Riverside Silvercrest, a 75-unit senior rental development.

Retirement Housing Foundation (RHF): RHF is a national non-profit organization that sponsors and manages affordable housing and services for the elderly, persons with disabilities, and low-income families. The Foundation is a member of the American Association of Homes and Services for the Aging, and the California Association of Homes and Services for the Aging. RHF manages Plymouth Tower, a senior housing complex that consists of both apartments and assisted living spaces.

Southern California Volunteers of America (VOA): This is a national non-profit organization that aims to meet the needs of residents of subsidized housing. VOA currently owns Cambridge Gardens, a 74-unit apartment complex in Riverside offering studios and one-bedroom units to elderly persons.

HomeAid: HomeAid is a non-profit private organization organized under the authority of the Building Industry Association for the purpose of providing housing to low- and moderate-income households.

D. Opportunities for Energy Conservation

Utility-related costs can directly impact the affordability of housing in the Southland. However, Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an “energy budget.” In turn, the home building industry must comply with these standards while localities are responsive for enforcing the energy conservation regulations.

The following are among the alternative ways to meet these energy standards. Alternative 1: The passive solar approach which requires proper solar orientation, appropriate levels of thermal mass, south facing windows, and moderate insulation levels. Alternative 2: Generally requires higher levels of insulation than Alternative 1, but has no thermal mass or window orientation requirements. Alternative 3: Also is without passive solar design but requires active solar water heating in exchange for less stringent insulation and/or glazing requirements.

Additional opportunities for energy conservation include the following techniques:

(1) locating the home on the northern portion of the sunniest portion of the site; (2) designing the structure to admit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions; (3) locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face; and (4) making the main entrance a small enclosed space that creates an air lock between the building and its exterior; orienting the entrance away from prevailing winds; or using a windbreak to reduce the wind velocity against the entrance.

Riverside’s Public Utilities Department provides water, electric, and other related services to City residents. To promote more efficient use of energy in the City, the Department offers various “Public Benefit” programs, which include the following:

Energy Education Program: This program provides local residents and schools with information on energy conservation. The City also offers residents free analysis of their energy use to identify potential energy efficiency measures and savings.

Low-Income Assistance: Administered by the Riverside County Department of Community Action, this program assists qualifying low-income households with their electric deposit and bills. Also provided is a free home energy survey and the free installation of energy-saving devices for senior, disabled, and low-income customers.

Residential Time-of-Use Rate: The Public Utilities Department offers a reduced rate for customers who use more than 9,000 kilowatt-hours (kWh) annually and will shift usage to off-peak hours. The City also provides pool owners with a billing credit for operating their pool pump during off-peak hours.

Other Energy Reduction Programs: Through the Tree Power program, the City offers electric customers a rebate for planting selected shade trees around their home to save on summer cooling costs. The City also offers customers rebates for replacing older inefficient central electric air conditioners with high efficiency units.